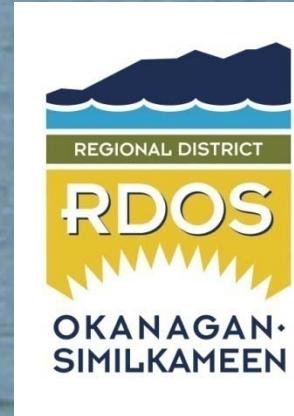


Osoyoos Irrigation District - Public Meeting

Oct. 23, 2008



Agenda. . .

- Why is the RDOS here?
- RDOS – Infrastructure Study
- Provincial- Federal Infrastructure Grant funding
- How does a RDOS function work?
- Advantages and Disadvantages of becoming an RDOS service
- Infrastructure Grant Application
- What is the process should the OID wish to become an RDOS function



Why is the RDOS here...

- Asked by the OID Board
 - to assist with the water infrastructure issues
 - to investigate feasibility for OID to become a RDOS function
- Here with IHA and Associated Engineering to:
 - Explain what issues are present
 - What are the options to fix these problems
 - What are the options to fund these problems
- RDOS is here to help
 - Some upgrades could be difficult to implement without our assistance



Infrastructure Study...

- RDOS commissioned study with Associated Engineering to look at options to meet the IHA and the Guidelines for Canadian Drinking Water Quality objectives
- IHA reviewed study and comments incorporated
- Required for any infrastructure grant application
- Assist in the OID's overall direction and capital planning



Provincial-Federal Infrastructure Grants...

- Awarded to Local Governments
 - Improvement or Irrigation Districts are not eligible for funding
- OID will not be eligible for funding unless dissolved and becomes a municipal function
- Grant can cover up to 2/3 of the eligible capital costs of the infrastructure
- Grants will not cover ineligible costs
 - Land Purchases
 - Development Cost Charges
(i.e. Town of Osoyoos)



How does a RDOS function work...

- RDOS governed by the Local Government Act
 - Determines how we set budgets, expense operational costs and fund large capital projects
- All funds received from the public for a particular function must be used to fund that function
 - Money can not be transferred in or out of a function
- Charge and tax for only the actual costs of the time and expenses we incur



Advantages and disadvantages of becoming an RDOS service...

Advantages

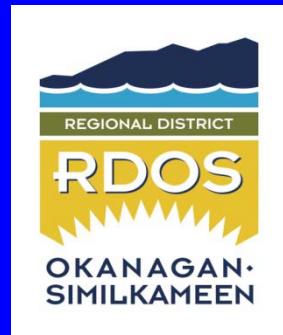
- Can apply for capital infrastructure and planning grants
- Expertise and infrastructure economies of scale as we currently own and operate:
 - Four water systems including one treatment plant
 - One sewer system with sewage treatment plant
- Operations staff are EOCP certified and hold up to Level 4 certificates
- 24hr, 7day a week coverage in order to respond to any system emergencies



Advantages and disadvantages of becoming an RDOS service...

Advantages

- Engineering department available to assist with:
 - Capital planning, design and construction of upgrades
 - Troubleshooting difficult issues
 - Manage any future development.
- Belong to Municipal Finance Authority and typically finance our projects at rates 1% less than bank rates
- Extensive insurance coverage up to \$35M per occurrence
- Economies of scale available for accounting services and outstanding debt collection



Advantages and disadvantages of becoming an RDOS service...

Disadvantages

- OID is a largely volunteer organization and may have a limited number of staff which may result in lower operational costs than the RDOS



Infrastructure Grant Application...

- RDOS applied for a 2/3 Federal-Provincial Infrastructure grant on behalf of OID community. We had a limited time to apply from when the program was announced.
- Five other infrastructure grants also applied for to help other communities with similar problems
 - Not all of the applications are likely to be successful
- If successful in our grant application
 - The community would need to agree to pay for the remaining 1/3 cost and to become an RDOS function
- Grant application can be altered as long as it meets with the IHA objectives
- Grant application can be withdrawn if the community decides that it is not interested



What is the Process Should the OID wish to become a RDOS service...

- OID Board needs to affirm request to become a RDOS service to the RDOS Board in writing
- RDOS needs to undertake a governance study to look at the water system liabilities
- RDOS Board needs to approve ownership of the water system should a referendum pass
- A referendum would determine public support for:
 1. Borrowing bylaw to upgrade the water system
 2. Service establishment bylaw
- Should the referendum pass then the OID and its assets would be transferred to the RDOS function

